

## MANUFACTURE OF COTTON GOODS AT HANKOW, CHINA.

MARCH 29, 1900.—Ordered to be printed.

Mr. NELSON presented the following

### LETTER FROM THE UNITED STATES CONSUL-GENERAL, SHANGHAI, CHINA, RELATIVE TO THE MANUFACTURE OF COTTON GOODS AT HANKOW, CHINA.

[Inclosed in dispatch January 26, 1900.]

UNITED STATES CONSULATE-GENERAL,  
*Shanghai, January 27, 1900.*

SIR: I note in Senator Pettigrew's letter to the Southern cotton spinners, as printed in a Minneapolis paper of December 12, the following:

You may not realize the magnitude of Oriental competition. A large modern cotton mill, making yarn as good as you make at Charlotte (not as good, perhaps, as the best you make), operated by Chinese laborers alone, is located at Hankow, China. This mill has 34,000 spindles and 700 looms in operation. The average wages paid all the men—engineers, weavers, spinners, and carders—is \$1.75 a month in our money, and they board themselves. Not a single person other than native Chinese is employed in the mill. There are eight or ten such mills in Shanghai, and more are being built.

The facts about cotton manufactures in China are these:

The mill in Hankow mentioned has discontinued weaving cloth, as it could not meet the competition of foreign piece goods. The looms are being taken out and are being replaced by spindles. In Shanghai there are now running 750 looms. It is claimed that these are now (but only very recently) making a coarse sheeting at a profit.

But the cost of making this sheeting is fully as much as the manufacture of the same grade of cloth costs in America. Instead of wages averaging \$1.75 per month the cheapest coolie laborer receives \$6 Mexican (\$3 gold) per month; carders and spinners receive \$25 to \$30 Mexican (\$12 to \$15 gold) per month; engineers and weavers receive \$20 to \$60 Mexican (\$10 to \$30 gold) per month. Wages have risen very fast in the treaty ports, with the building of mills and the establishment of the foreign businesses, and are maintained at the higher level.

The labor, however, is less effective than the American labor. The American weavers accomplish two to three times and American spinners at least four times the results attained by corresponding Chinese workmen in the same time.

Two of the mills in Shanghai are now run entirely by Chinese; two have a foreign supervising engineer, and five have foreigners for the managers and heads of departments and supervisory places.

The yarn manufactured at this point and at Hankow goes to the province of Szechuen, and is made there into cloth on hand looms in the villages and houses of the consumers. Only the coarse grades of cotton yarn are made, and the higher price of raw Chinese cotton as the demand has increased and the competition of Indian and Japanese yarn have caused these mills to run at a loss to the present time.

The cotton cloths dominating the market in northern China and now challenging for trade in central China are from America.

We can control this market so long as we have an equal entrance into all China, especially as freight lines from America to China are multiplied; and when the Nicaragua Canal is built no other than American cotton goods need apply in China.

I have the honor to be, sir, your obedient servant,

JOHN GOODNOW,  
*United States Consul-General, Shanghai.*

Hon. K. NELSON,  
*United States Senator, Washington, D. C.*

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